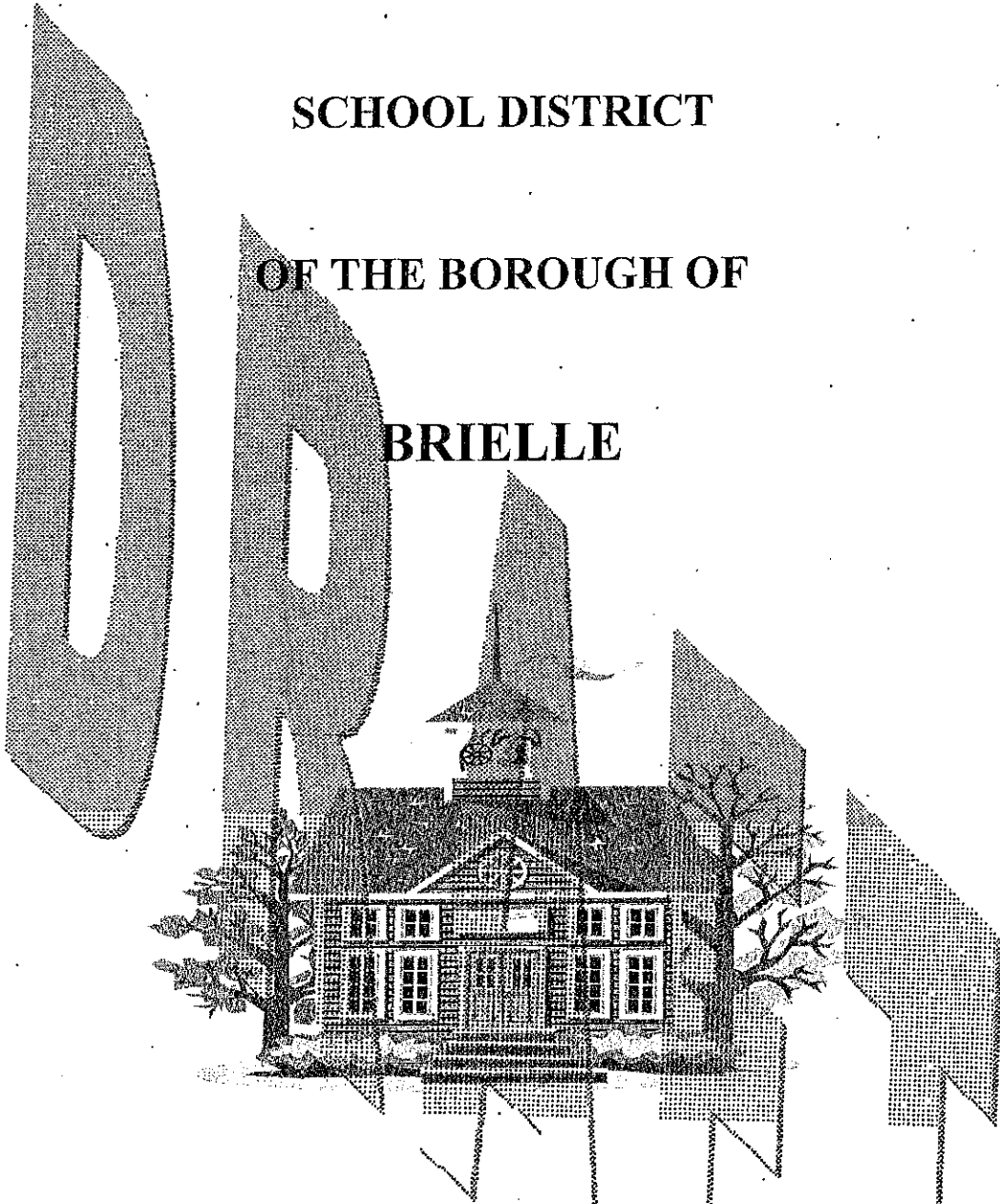


SCHOOL DISTRICT

OF THE BOROUGH OF

BRIELLE



**BOROUGH OF BRIELLE BOARD OF EDUCATION
BRIELLE, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

BOROUGH OF BRIELLE BOARD OF EDUCATION

BRIELLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY

**BOROUGH OF BRIELLE BOARD OF EDUCATION
FINANCE DEPARTMENT**



BRIELLE ELEMENTARY SCHOOL

605 UNION LANE
BRIELLE, NEW JERSEY 08730
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CHRISTINE CARLSON
Superintendent/
Principal

COLIN SABIA
Vice Principal/
Director of Special Services

DAWN CHERRY
School Business Administrator/
Board Secretary

February 11, 2022

President and Members of the Brielle Board of Education
Brielle School District
Monmouth County, New Jersey

Dear Board Members:

Enclosed is the Comprehensive Annual Financial Report (ACFR) of the Brielle School District for the fiscal year ended June 30, 2021. This ACFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. Disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- 1) The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organization Chart of the School District.
- 2) The Financial Section begins with the independent Auditors Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- 3) The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school District, generally presented on a multi-year basis.
- 4) The Single Audit Section-The District is required to undergo an annual audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations, Part 200 and New Jersey Treasury Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

Brielle School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Brielle Board of Education and the Brielle Elementary School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Kindergarten through Eight (8). The pre-school program has grown in recent years and has accepted sending district handicapped preschoolers. The Brielle School District has a sending/receiving association with Manasquan High School in which Brielle sends students to Manasquan High on a per student tuition basis. Brielle students have been also been accepted and attend the Monmouth County Vocational School Academies and can also attend half day vocational programs. Brielle community parents can also select to send students to private schools. The district curriculum has been aligned with the New Jersey Core Curriculum Contents Standards. Educational services include regular, vocational as well as special education for handicapped children. The district completed the 2020-2021 fiscal year with a decrease in enrollment in the elementary school and a slight increase in enrollment of Brielle students attending Manasquan High School. The following details the changes in the student enrollment over the prior 25 years.

Fiscal Year	Brielle Elementary Student Enrollment	Manasquan High School Enrollment
2020-2021	509	226
2019-2020	514	219
2018-2019	532	232
2017-2018	541	238
2016-2017	541	241
2015-2016	543	248
2014-2015	558	251
2013-2014	573	256
2012-2013	611	253
2011-2012	605	261
2010-2011	665	242
2009-2010	728	224
2008-2009	713	204
2007-2008	712	207

2006-2007	704	206
2005-2006	697	202
2004-2005	658	207
2003-2004	638	201
2002-2003	631	193
2001-2002	574	177
2000-2001	546	156
1999-2000	516	173
1998-1999	483	163
1997-1998	455	171
1996-1997	435	177

ECONOMIC CONDITION AND OUTLOOK

The Borough of Brielle School District has been experiencing a level of decline while the overall population of the Borough has remained constant. The district has experienced declining enrollment primarily in the Brielle Elementary School as the many of the students have moved on to the secondary school level. The current district demographic study forecasts that enrollment in the Elementary School will continue to decline as there have been fewer live births in the district overall the last five years due to an aging District population. It is also forecast that the number of students currently forecast to attend Manasquan High School on a tuition basis has started to decline from the current level. This is not unusual as enrollment declines are being experienced in a majority of school districts throughout Monmouth County and throughout the State of New Jersey. Brielle's enrollment is not expected to decline as much as other neighboring districts due to strong house sales in recent years. The district continues to maintain all programs and services with small class sizes. The Borough of Brielle School District continues to be an excellent place to educate a student in an outstanding community.

MAJOR INITIATIVES

We had over 25 students participating in our 3rd Blazer Academy and Extended School Year Program.

During the year the summer months the building with phase two of our ceiling and LED lighting project. The west side parking lot was redesigned and paved as part of a shared services project with the Borough of Brielle. The Brielle Education Foundation raised over \$70,000 during the pandemic and redesigned our outdoor courtyard into an outdoor classroom with benches, tables, bridges, a waterfall, and engraved pavers that the school community purchased through the BEF.

Several classrooms were transformed to accommodate students six feet apart, plexi glass, new desks, and a Safe Check Walk through Body Temperature Detector. Other measures such as distancing signs, new regulations to keep everyone safe and healthy.

By August of 2020, 20 preschoolers and 36 Kindergarten students were registered for the new school year. Brielle Elementary School ended June 30, 2020 with 509 students and in September 2020, 509 students started the new school year. Brielle Elementary School ended June 30, 2021 with 514 students, down 18 students from the October 2020 count and the number of students sent to Manasquan High School increased from 219 in October 2020 to 226 in June 2021.

Student involvement in the community continued during the school year with IC Hope winning the Fund Driver's Award. This is the eight year in a row our school has received distinguished honors. Their dedication and hard work for the local food bank earned them top recognition. Students also participated in preparing 25 food baskets for their Thanksgiving food drive and 8th graders collected over 2,700 pounds of food.

Choral and instrumental concerts were the highlights of the music program during the winter concert a culmination of talents was the presentation of Susical the Musical presented to the entire student population on Friday, March 13. Due to the pandemic all programs were shut down from March 16 through June 30.

Superintendents of the sending districts to Manasquan High School worked on curriculum alignment and technology issues during the year. These meetings help to ensure that students from each of the elementary districts arrive well prepared to be successful in their high school experience.

The annual reorganization meeting of the Board of Education welcomed reelected Board of Education members Mrs. Madaly Jones and Mr. Tedd Vitale. Also welcomed was new board member Mr. Sean Wohltman. Mrs. Karen Dettlinger was elected President of the Board of Education.

A very successful fundraiser sponsored by the Brielle Education Foundation and held in November in which the community not only had an enjoyable social event but also raised over \$40,000 for additional technology upgrades in the school.

INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles as required by the Governmental Accounting Standard Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

FINANCIAL INFORMATION AT FISCAL YEAR-END

The District has met its responsibility for sound financial management as demonstrated by the various statements and schedules included in the financial section of this report.

DEBT ADMINISTRATION

At June 30, 2021 the District had become debt free since the Bond Sale that took place in February, 2001.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District had adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, and theft insurance on property and contents, and fidelity bonds.

ADDITIONAL INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs was selected by the Board at its January 6, 2022 Reorganization Meeting. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the Title 2 U.S. Code of Federal Regulations, Part 200 and New Jersey Treasury Circular 15-08 OMB. The auditor's reports on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the Brielle School Board of Education for your concern in providing fiscal responsibility to the citizens and taxpayers of the school district and thereby contributing your support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

Christine E. Carlson
Superintendent
Secretary

Dawn Cherry
Business Administrator/Board

**Brielle Board of Education
Roster of Officials 2020-2021**

Members of the Board of Education	Term Expires
Mr. Kurt Becker	2022
Dr. David D'Ambrosio	2022
Karen Dettlinger	2021
Dennis Ingoglia	2021
Madaly Jones	2023
Stephen LaValva	2022
Joseph Milancewich	2021
Tedd Vitale	2023
Sean Wohltman	2023

Other Officials

Christine E. Carlson	Superintendent
Dawn Cherry	Business Administrator/Board Secretary
Cherie Adams	Board Attorney
Loretta Hill	Treasurer

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Brielle School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Requirements* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of federal awards and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022 on our consideration of the Brielle's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brielle Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

February 11, 2022

**BRIELLE BOROUGH SCHOOL DISTRICT
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

UNAUDITED

The discussion and analysis of Brielle Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- ◆ General revenues accounted for \$17,041,421 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$367,809 for total revenue of \$17,409,230.
- ◆ The School District had \$16,081,196 in expenses; only \$367,809 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$17,041,421 were adequate to provide for these programs.
- ◆ The General Fund had \$16,635,091 in revenues and \$15,625,938 in expenditures. Other financing uses included transfer to the Food Service Fund of \$3,716. Overall, the General Fund's balance increased from 2020 by \$1,005,437.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Brielle Borough Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Brielle Borough Public school district, the General Fund is by far the most significant fund.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2020-2021?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district’s most significant funds.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the Future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2021 and 2020.

**Table I
Net Position**

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 12,647,624	11,668,123
Deferred Outflow of Resources	<u>293,082</u>	<u>411,700</u>
Deferred Inflow of Resources	<u>905,422</u>	<u>822,284</u>
Total Liabilities	<u>2,450,822</u>	<u>3,059,587</u>
Total Net Position	<u>\$ 9,584,462</u>	<u>8,197,952</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 82% percent of revenues for governmental activities for the Brielle Borough School District for fiscal year 2021. The District's total revenues were \$17,409,230 for the year ended June 30, 2021.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Enterprise Fund revenues were \$8,643.
- ◆ Changes in Net Position was \$(26,894) after adjustments.

Governmental Activities

	<u>2021</u>	<u>2020</u>
Instruction	\$ 4,075,982	3,687,940
Support Services:		
Pupils and Instructional Staff	6,305,696	6,241,914
General Administration, School Administration, Business Administration	768,262	741,191
Operation and Maintenance of Facilities	1,054,170	888,976
Pupil Transportation	482,384	617,369
Interest on Debt	20,000	33,333
Unallocated Benefits	3,103,065	2,863,723
Unallocated Depreciation	<u>271,637</u>	<u>309,240</u>
Total Expenses	<u>\$ 16,081,196</u>	<u>15,383,686</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation.

General Fund Budgeting Highlights

The School district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2021, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Capital Assets

At the end of the fiscal year 2021, the School District had \$7,416,278 invested in land, buildings, furniture and equipment, and vehicles as follows:

Capital Assets (Net of Depreciation) at June 30, 2021 & 2020

	<u>2021</u>	<u>2020</u>
Land	\$ 60,584	60,584
Building and Improvements	7,042,992	7,292,354
Machinery and Equipment	312,702	263,844
Totals	<u>\$ 7,416,278</u>	<u>7,616,782</u>

Debt Administration

At June 30, 2021 the School district had \$2,093,757 of outstanding debt. Of this amount \$389,780 is for compensated absences. Net pension liability was \$1,703,977.

For the Future

The Brielle Borough School District is in good financial condition presently. However, future finances are not without challenges as the community continues to change; the Board and the Administration constantly review the financial landscape to put the District in the best possible position to continue to serve the students and the community for the benefit of all.

Brielle Borough is primarily a residential community, with very few ratables. The majority of the tax levy is raised by residential property taxes.

In conclusion, the Brielle Borough School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Dawn Cherry, School Business Administrator/Board Secretary at Brielle Borough Board of Education, 605 Union Lane, Brielle, NJ 08730.

BRIELLE SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 695,553	35,497	731,050
Receivables, Net	436,436	1,295	437,731
Restricted Assets:			
Capital Reserve Account - Cash	2,603,594		2,603,594
Restricted - Cash	1,405,885		1,405,885
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	<u>7,355,694</u>	<u>53,086</u>	<u>7,408,780</u>
Total Assets	<u>12,557,746</u>	<u>89,878</u>	<u>12,647,624</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>293,082</u>		<u>293,082</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>905,422</u>		<u>905,422</u>
<u>Liabilities</u>			
Accounts Payable	43,048	4,327	47,375
Deferred Revenue	11,733		11,733
Payroll Deductions and Withholdings Payable	297,957		297,957
Noncurrent Liabilities:			
Due Beyond One Year	<u>2,093,757</u>		<u>2,093,757</u>
Total Liabilities	<u>2,446,495</u>	<u>4,327</u>	<u>2,450,822</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	5,322,521	53,086	5,375,607
Restricted For:			
Other Purposes	4,009,479		4,009,479
Unrestricted	<u>166,911</u>	<u>32,465</u>	<u>199,376</u>
Total Net Position	<u>\$ 9,498,911</u>	<u>85,551</u>	<u>9,584,462</u>

The accompanying notes to financial statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 2,981,993			(2,981,993)		(2,981,993)
Special Education	1,049,190		287,709	(761,481)		(761,481)
Other Instruction	44,799			(44,799)		(44,799)
Support Services:						
Tuition	5,010,008	9,750		(5,000,258)		(5,000,258)
Student & Instruction Related Services	1,295,688		80,100	(1,215,588)		(1,215,588)
School Administrative Services	243,899			(243,899)		(243,899)
Other Administrative Services	524,363			(524,363)		(524,363)
Plant Operations and Maintenance	1,054,170			(1,054,170)		(1,054,170)
Pupil Transportation	482,384			(482,384)		(482,384)
Unallocated Benefits	3,103,105			(3,103,105)		(3,103,105)
Interest on Long-Term Debt	20,000			(20,000)		(20,000)
Unallocated Depreciation	271,637			(271,637)		(271,637)
Total Government Activities	16,081,236	9,750	367,809	(15,703,677)	-	(15,703,677)
Business-Type Activities:						
Aftercare Program		4,911			(28,581)	(28,581)
Food Service	33,492					
Total Business-Type Activities	33,492	4,911	-	-	(28,581)	(28,581)
Total Primary Government	16,114,728	14,661	367,809	(15,703,677)	(28,581)	(15,732,258)

BRIELLE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				13,910,006		13,910,006
Taxes Levied for Debt Service				420,000		420,000
Federal and State Aid Not Restricted				2,661,389		2,661,389
Miscellaneous Income				53,702	16	53,718
Transfer to Food Service				(3,716)	3,716	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				17,041,381	3,732	17,045,113
Change in Net Position				1,337,704	(24,849)	1,312,855
Net Position - Beginning				8,082,697	112,445	8,195,142
Prior Period Adjustment				78,510	(2,045)	76,465
Net Position - Ending				\$ 9,498,911	85,551	9,584,462

The accompanying Notes to Financial Statements are an integral part of this statement.

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents-Restricted	\$ 3,970,823	38,656	4,009,479
Cash and Cash Equivalents-Nonrestricted	695,553		695,553
Interfund Receivable	109,457		109,457
Receivables, Net	<u>315,246</u>	<u>121,190</u>	<u>436,436</u>
Total Assets	<u>\$ 5,091,079</u>	<u>159,846</u>	<u>5,250,925</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 43,048		43,048
Deferred Revenue		11,733	11,733
Interfund Payable	-	109,457	109,457
Payroll Deductions and Withholdings Payable	<u>297,957</u>		<u>297,957</u>
Total Liabilities	<u>341,005</u>	<u>121,190</u>	<u>462,195</u>
Fund Balance:			
Restricted : To:			
Capital Reserve	2,603,594		2,603,594
Maintenance Reserve	609,496		609,496
Capital Reserve - Designated for Subsequent Years Expenditures	150,000		150,000
Designated for Subsequent Years Expenditures - by the Board of Education	118,980		118,980
Designated for Subsequent Years Expenditures - Excess Surplus	300,855		300,855
Excess Surplus - Current Year	139,362		139,362
Unemployment Compensation	48,527		48,527
Scholarships		10,918	10,918
Student Activities		27,738	27,738
Unassigned-General Fund	<u>779,260</u>		<u>779,260</u>
Total Fund Balances	<u>4,750,074</u>	<u>38,656</u>	<u>4,788,730</u>
Total Liabilities and Fund Balance	<u>\$ 5,091,079</u>	<u>159,846</u>	

Amounts reported for governmental activities in
the Statement of Net Position (A-1) are different
because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

The cost of the assets is \$16,043,910 and the
accumulated depreciation is \$8,627,632.

7,416,278

Deferred outflow of resources - contributions to the pension plan

293,082

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(905,422)

Long-term liabilities are not due and payable in the current period
and therefore are not reported as liabilities in the funds.

(2,093,757)

Net Position of Governmental Activities

\$ 9,498,911

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 13,910,006		420,000	14,330,006
Tuition	9,750			9,750
Miscellaneous	53,946	19,628		73,574
Total Local Sources	<u>13,973,702</u>	<u>19,628</u>	<u>420,000</u>	<u>14,413,330</u>
State Sources	2,661,389			2,661,389
Federal Sources		347,937		347,937
Total Revenues	<u>16,635,091</u>	<u>367,565</u>	<u>420,000</u>	<u>17,422,656</u>
<u>Expenditures</u>				
Current:				
Regular Instruction	3,032,772			3,032,772
Special Education Instruction	761,481	287,709		1,049,190
Other Instruction	44,799			44,799
Support Services and Undistributed Costs:				
Tuition	5,010,008			5,010,008
Student and Instruction Related Services	1,215,588	80,100		1,295,688
School Administrative Services	243,899			243,899
Other Administrative Services	524,363			524,363
Plant Operations and Maintenance	1,054,170			1,054,170
Pupil Transportation	482,384			482,384
Unallocated Benefits	3,225,983			3,225,983
Capital Outlay	30,491			30,491
Debt Service:				
Principal			400,000	400,000
Interest and Other Charges			20,000	20,000
Total Expenditures	<u>15,625,938</u>	<u>367,809</u>	<u>420,000</u>	<u>16,413,747</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	<u>1,009,153</u>	<u>(244)</u>	<u>-</u>	<u>1,008,909</u>
Other Financing Sources (Uses):				
Transfer to Food Service	<u>(3,716)</u>			<u>(3,716)</u>
Total Other Financing Sources (Uses)	<u>(3,716)</u>	<u>-</u>	<u>-</u>	<u>(3,716)</u>
Net Change in Fund Balances	<u>1,005,437</u>	<u>(244)</u>	<u>-</u>	<u>1,005,193</u>
Fund Balance - July 1	3,705,027			3,705,027
Prior Period Adjustments	<u>39,610</u>	<u>38,900</u>		<u>78,510</u>
Fund Balance, July 1, Restated	<u>3,744,637</u>	<u>38,900</u>	<u>-</u>	<u>3,783,537</u>
Fund Balance - June 30	<u>\$ 4,750,074</u>	<u>38,656</u>	<u>-</u>	<u>4,788,730</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 1,005,193
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(271,637)
Capital Outlays	<u>77,640</u>
	(193,997)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	400,000
Compensated Absences	4,798
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(118,618)
Pension Related Deferrals	(83,138)
Net Pension Liability	<u>323,466</u>
Change in Net Position of Governmental Activities	<u>\$ 1,337,704</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

Exhibit B-4

JUNE 30, 2021

	Business-type Activities Enterprise Fund
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 35,497
Accounts Receivable:	
Other	1,295
Total Current Assets	36,792
Noncurrent Assets:	
Equipment	149,082
Accumulated Depreciation	(95,996)
Total Noncurrent Assets	53,086
Total Assets	\$ 89,878
<u>Liabilities</u>	
Accounts Payable	\$ 4,327
Total Liabilities	\$ 4,327
<u>Net Position</u>	
Investment in Fixed Assets	\$ 53,086
Unrestricted	32,465
Total Net Position	\$ 85,551

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2021

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales	\$ 4,911
Total Operating Revenue	<u>4,911</u>
Operating Expenses:	
Cost of Sales	22,877
Computer System	2,195
Depreciation	8,420
Total Operating Expenses	<u>33,492</u>
Operating (Loss)/Profit	(28,581)
Non-Operating Revenues:	
Interest Revenue	16
Board Subsidy	3,716
Total Non-Operating Revenues	<u>3,732</u>
Change in Net Position	(24,849)
Adjustment to Fixed Assets	(2,045)
Net Position, July 1	<u>112,445</u>
Net Position June 30	<u>\$ 85,551</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2021

	<u>Business-type Activities Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 4,911
Payments to Suppliers	(5,880)
Net Cash Used by Operating Activities	<u>(969)</u>
Cash Flows from Noncapital Financing Activities:	
Board Subsidy	3,716
Net Cash Provided by Noncapital Financing Activities	<u>3,716</u>
Cash Flows from Investing Activities:	
Interest Revenue	16
Net Cash Provided by Investing Activities	<u>16</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,763
Cash and Cash Equivalents July 1	<u>1,830</u>
Cash and Cash Equivalents June 30	<u>\$ 4,593</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (28,581)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	8,420
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivables	9,725
Increase/(Decrease) in Accounts Payable	(3,009)
(Increase)/Decrease in Inventory	<u>12,476</u>
Net Cash Used by Operating Activities	<u>\$ (969)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION
BRIELLE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Brielle School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Brielle Borough. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

B. Government-Wide Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Inventories and Prepaid Expenses (Continued)

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2006 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report has been updated to include capital assets purchased subsequently with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2021. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	\$ 60,584	_____	_____	_____	60,584
Total Capital Assets Not Being Depreciated	<u>60,584</u>	_____	_____	_____	<u>60,584</u>
Depreciable Assets:					
Site Improvements	222,521				222,521
Buildings & Sites	14,991,148	1,000			14,992,148
Equipment	<u>710,600</u>	<u>58,057</u>			<u>768,657</u>
Total	<u>15,924,269</u>	<u>59,057</u>			<u>15,983,326</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Less: Accumulated Depreciation For:					
Sites	(21,520)	(10,186)			(31,706)
Buildings	(7,900,795)	(252,252)		13,076	(8,139,971)
Equipment	<u>(446,756)</u>	<u>(9,199)</u>			<u>(455,955)</u>
Total Accumulated Depreciation	<u>(8,369,071)</u>	<u>(271,637)</u>		<u>13,076</u>	<u>(8,627,632)</u>
Net Depreciable Assets	<u>7,555,198</u>	<u>(212,580)</u>		<u>13,076</u>	<u>7,355,694</u>
Government Activities:					
Capita Assets, Net	<u>\$ 7,615,782</u>	<u>(212,580)</u>		<u>13,076</u>	<u>7,416,278</u>
Business-Type Activities:					
Equipment	\$ 151,127			(2,045)	149,082
Less: Accumulated Depreciation:					
Equipment	<u>(87,576)</u>	<u>(8,420)</u>			<u>(95,996)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 63,551</u>	<u>(8,420)</u>		<u>(2,045)</u>	<u>53,086</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 271,637

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

M. Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position (Continued)

Fund Balance

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2021, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts	<u>\$ 4,740,529</u>

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Investments (Continued)

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2021 was \$4,740,529 and the bank balance was \$4,907,603, of the bank balance \$250,000 was covered by federal depository insurance and \$4,657,603 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 250,000
GUPDA	<u>4,657,603</u>
	<u>\$ 4,907,603</u>

As of June 30, 2021, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Long-Term</u> <u>Portion</u>	<u>Amount Due</u> <u>In One Year</u>
Pension Liability	\$ 2,027,443		(323,466)	1,703,977	1,703,977	
Compensated Absences Payable	394,578		(4,798)	389,780	389,780	
Bonds Payable	<u>400,000</u>		<u>(400,000)</u>			
Total	<u>\$ 2,822,021</u>		<u>(728,264)</u>	<u>2,093,757</u>	<u>2,093,757</u>	

NOTE 3: General Long-Term Debt (Continued)

a. **Bonds Payable** – The Bond issue of \$6,915,000 issued on 2/27/2001 was paid in full during the 2020-2021 fiscal year.

NOTE 4: Pension Plans

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 43:15A, PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

NOTE 4: Pension Plans (Continued)

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2020 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2020 State special funding situation net pension liability amount of \$128.2 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11 million, for the fiscal year ending June 30, 2020, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

For the year ended June 30, 2021, the District recognized pension expense of \$116,247. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 31,027	6,026
Changes of Assumptions	55,279	713,471
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	58,243	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	32,286	185,925
District Contributions Subsequent to the Measurement Date	<u>116,247</u>	<u> </u>
Total	<u>\$ 293,082</u>	<u>905,422</u>

\$116,247 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ (212,199)
2022	(193,461)
2023	(110,558)
2024	(44,708)
2025	<u>(9,969)</u>
	<u>\$ (570,895)</u>

NOTE 4: Pension Plans (Continued)

Additional Information

Collective balances at December 31, 2020 and 2019 are as follows:

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Collective Deferred Outflows of Resources	\$ 293,082	411,700
Collective Deferred Inflows of Resources	905,422	822,284
Collective Net Pension Liability	1,703,977	2,027,443
District's Proportion	.01037%	.01117%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2020 were as follows:

	<u>2020</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,272,160,382	39,432,792,871	67,704,953,253
Plan Fiduciary Net Position	<u>6,048,192,857</u>	<u>22,997,176,445</u>	<u>29,045,369,302</u>
Net Pension Liability	<u>\$ 22,223,967,525</u>	<u>16,435,616,426</u>	<u>38,659,583,951</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.39%	58.32%	42.90%

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on years of service
Thereafter	3.00% - 7.00%
	Based on years of service
Investment Rate of Return	7.00%

NOTE 4: Pension Plans (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 4: Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2020</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 2,145,023</u>	<u>1,703,977</u>	<u>1,329,738</u>

Teachers Pensions and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans (Continued)

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total Pension Liability	\$ 87,522,678,686	84,215,846,719
Plan Fiduciary Net Position	<u>21,529,179,998</u>	<u>22,696,734,276</u>
Net Pension Liability	<u>\$ 65,993,498,688</u>	<u>61,519,112,443</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2020</u>	<u>2019</u>
District's Liability	<u>\$ 24,424,540</u>	<u>22,426,416</u>
District's Proportion	.03701%	.03645%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	Based on years of service
Thereafter	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2020</u>		
	<u>At 1% Decrease (4.40%)</u>	<u>At Current Discount Rate (5.40%)</u>	<u>At 1% Increase (6.40%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>28,689,483</u>	<u>24,424,540</u>	<u>20,883,221</u>
	<u>\$28,689,483</u>	<u>24,424,540</u>	<u>20,883,221</u>

NOTE 5: Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pension*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 5: Post-Retirement Benefits (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 20, 2019, with was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability	\$67,809,962,608		
Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	1.55 – 4.45% based on service years	3.00% - 7.00% based on service years	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

NOTE 5: Post-Retirement Benefits (Continued)

(b) Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	Total OPEB Liability
Balances at June 30, 2019	\$ 17,126,918
Changes for the Year:	
Service Cost	688,844
Interest	615,484
Difference Between Expected and Actual Experience	4,547,732
Changes in Assumptions or Other Inputs	5,031,635
Benefit Payments	(479,546)
Member Contributions	<u>14,535</u>
Balance at June 30, 2020	<u>\$ 27,545,602</u>

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% percent in 2019 to 2.21% percent in 2020.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 33,207,645</u>	<u>27,545,602</u>	<u>23,118,430</u>

NOTE 5: Post-Retirement Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	\$ 22,235,739	27,545,602	33,868,469

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2020, the Board of Education recognized OPEB expense of \$1,304,064 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Brielle Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 4,182,140	3,725,301
Changes in Proportion	636,958	721,794
Changes of Assumptions or Other Inputs	<u>4,685,416</u>	<u>3,143,109</u>
Total	<u>\$ 9,504,514</u>	<u>7,590,204</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2022	\$ 225,331
2023	225,331
2024	225,331
2025	225,331
2026	225,331
Thereafter	<u>788,655</u>
	<u>\$ 1,915,310</u>

NOTE 6: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

A capital reserve account was established by the Borough of Brielle Board of Education by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, C.73 (S1701). Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NOTE 8: Risk Management (Continued)

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2020-2021	\$	12,866	3,949	48,527
2019-2020		6,277	10,720	39,610
2018-2019		8,997	126	44,053

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$4,805,587 General Fund fund balance at June 30, 2021; \$2,603,594 has been reserved in the Capital Reserve Account; \$609,496 is reserved for maintenance; \$150,000 is Capital reserve designated for subsequent year’s expenditures; \$118,980 is designated for subsequent year’s expenditures; \$139,362 is excess surplus; \$300,855 is excess surplus designated for subsequent years expenditures; \$834,773 is unreserved and undesignated; and \$48,527 is unemployment.

NOTE 10: Calculation of Excess Surplus

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget.

NOTE 11: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2021 financial statements.

NOTE 12: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District’s programs and activities.

NOTE 13: Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

NOTE 14: 4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures Per the ACFR	\$ 15,625,938
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,783,384)</u>
Adjusted 2020-21 General Fund Expenditures	<u>\$ 13,842,554</u>
4% of Adjusted 2020-21 General Fund Expenditures	<u>\$ 553,702</u>
Enter Above or \$250,000 Whichever is Greater	\$ 553,702
Increased by Allowable Adjustment	<u>281,071</u>
Maximum Unassigned Fund Balance	<u>\$ 834,773</u>

Section 2

Total General Fund – Fund Balance @ 6-30-21	\$ 4,805,587
Decreased by:	
Reserved for Unemployment	(48,527)
Designated for Subsequent Years Expenditures – General Fund	(118,980)
Designated for Subsequent Years Expenditures – Excess Surplus	(300,855)
Maintenance Reserve	(609,496)
Designated for Subsequent Years Expenditures – Capital Reserve	(150,000)
Capital Reserve	<u>(2,603,594)</u>
Total Unassigned Fund Balance	<u>\$ 974,135</u>

Section 3

Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures	\$ 300,855
Excess Surplus	<u>139,362</u>
	<u>\$ 440,217</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 265,880
Non-Public Transportation	<u>15,191</u>
	<u>\$ 281,071</u>

NOTE 14: 4% Calculation of Excess Surplus (Continued)

Detail of Other Reserved Fund Balance

Maintenance Reserve	\$ 609,496
Capital Reserve	<u>2,603,594</u>
	<u>\$ 3,213,090</u>

NOTE 15: Interfund Receivables and Payables

Transfers between governmental and business-type activities on the governmental-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

These were interfunds as of June 30, 2021 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	109,457
Special Revenue Fund	<u>109,457</u>	<u> </u>
	<u>\$ 109,457</u>	<u>109,457</u>

These interfund loans are due to the Special Revenue Fund awaiting Federal reimbursements. Once received, the interfunds will be eliminated, which is expected to be within one year.

NOTE 16: COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Board of Education (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

NOTE 17: Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

Net Position as Previously Reported At June 30, 2020	\$ 8,082,617
Prior Period Adjustment – Implementation of GASB 84:	
Restricted Fund Balance – Unemployment	39,610
Restricted Fund Balance – Student Activities	21,736
Restricted Fund Balance – Scholarship	<u>17,164</u>
Total Prior Period Adjustment	<u>78,510</u>
Net Position as Restated, July 1, 2020	<u>\$ 8,161,127</u>

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Fund Balance as Previously Reported at June 30, 2020	\$ 3,705,027	
Prior Period Adjustments:		
Implementations of GASB 84:		
Restricted Fund Balance - Unemployment	39,610	
Restricted Fund Balance – Student Activities		21,736
Restricted Fund Balance – Scholarship		<u>17,164</u>
Total Prior Period Adjustment	<u>39,610</u>	<u>38,900</u>
Fund Balance as Restated, July 1, 2020	<u>\$ 3,744,637</u>	<u>38,900</u>

NOTE 18: Subsequent Events

Subsequent events have been evaluated through February 11, 2022, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 13,910,006		13,910,006	13,910,006	-
Tuition	10,375		10,375	9,750	(625)
Other Restricted Miscellaneous Revenues			-	12,866	12,866
Unrestricted Miscellaneous Revenue	600		600	41,080	40,480
Total Local Sources	<u>13,920,981</u>	<u>-</u>	<u>13,920,981</u>	<u>13,973,702</u>	<u>52,721</u>
State Sources:					
Special Education Aid	449,354		449,354	449,354	-
Security Aid	14,351		14,351	14,351	-
Transportation Aid	121,923		121,923	121,923	-
Extraordinary Aid			-	279,582	279,582
Non Public Transportation			-	15,191	15,191
TPAF Social Security (Reimbursed - Non-Budgeted)			-	321,930	321,930
On-Behalf T.P.A.F Pension Contributions -			-		
Post Retirement Medical (Non-Budgeted)			-	348,626	348,626
On-Behalf T.P.A.F Pension Contributions -			-		
Normal Cost (Non-Budgeted)			-	1,091,683	1,091,683
On-Behalf T.P.A.F Non-Contributory Insurance			-	20,771	20,771
On-Behalf T.P.A.F Pension Contributions -			-		
Long-Term Disability			-	374	374
Total State Sources	<u>585,628</u>	<u>-</u>	<u>585,628</u>	<u>2,663,785</u>	<u>2,078,157</u>
Total Revenues	<u>14,506,609</u>	<u>-</u>	<u>14,506,609</u>	<u>16,637,487</u>	<u>2,130,878</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	97,729	415	98,144	74,939	23,205
Kindergarten - Salaries of Teachers	273,631	42,441	316,072	313,873	2,199
Grades 1-5 - Salaries of Teachers	1,543,351	(75,698)	1,467,653	1,373,969	93,684
Grades 6-8 - Salaries of Teachers	1,126,222	(52,632)	1,073,590	1,068,047	5,543
Regular Programs - Home Instruction:					
Salaries	3,000	2,000	5,000	582	4,418
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000	5,614	14,614	14,614	-
Other Purchased Services (400-500 Series)	20,000	(12,000)	8,000		8,000
General Supplies	155,759	44,094	199,853	173,039	26,814
Textbooks	20,000		20,000	367	19,633
Other Objects	15,600		15,600	13,342	2,258
Total Regular Programs - Instruction	<u>3,264,292</u>	<u>(45,766)</u>	<u>3,218,526</u>	<u>3,032,772</u>	<u>185,754</u>
Resource Room/Resource Center:					
Salaries of Teachers	684,624	77,488	762,112	761,481	631
General Supplies	1,500		1,500		1,500
Total Resource Room/Resource Center	<u>686,124</u>	<u>77,488</u>	<u>763,612</u>	<u>761,481</u>	<u>2,131</u>
Total Special Education - Instruction	<u>686,124</u>	<u>77,488</u>	<u>763,612</u>	<u>761,481</u>	<u>2,131</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Cocurricular Activities-Instruction:					
Salaries	41,445	(1,219)	40,226	21,387	18,839
Other Objects	2,000	1,593	3,593	3,593	-
Total School Sponsored Cocurricular Activities-Instruction	<u>43,445</u>	<u>374</u>	<u>43,819</u>	<u>24,980</u>	<u>18,839</u>
School Sponsored Athletics - Instruction:					
Salaries	40,673	(14,820)	25,853	13,698	12,155
Other Objects	12,000	(954)	11,046	6,121	4,925
Total School Sponsored Athletics-Instruction	<u>52,673</u>	<u>(15,774)</u>	<u>36,899</u>	<u>19,819</u>	<u>17,080</u>
Before/After School Programs - Instruction:					
Salaries of Teachers	11,000		11,000		11,000
Total Instruction	<u>4,057,534</u>	<u>16,322</u>	<u>4,073,856</u>	<u>3,839,052</u>	<u>234,804</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	3,935,776		3,935,776	3,862,736	73,040
Tuition to Other LEA's Within the State - Special	471,712	14,599	486,311	328,297	158,014
Tuition to Private School for the Handicapped Within State	923,931	(75,832)	848,099	643,350	204,749
Tuition to County Vocational - Regular	207,250	(6,475)	200,775	151,150	49,625
Tuition to County Vocational - Special	18,000	6,475	24,475	24,475	-
Total Instruction	<u>5,556,669</u>	<u>(61,233)</u>	<u>5,495,436</u>	<u>5,010,008</u>	<u>485,428</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Health Services:					
Salaries	101,399	(2,943)	98,456	98,456	-
Supplies and Materials	5,000	20	5,020	5,016	4
Total Health Services	<u>106,399</u>	<u>(2,923)</u>	<u>103,476</u>	<u>103,472</u>	<u>4</u>
Other Support Services					
Salaries of Other Professional Staff	87,160		87,160	87,160	-
Total Guidance	<u>87,160</u>	<u>-</u>	<u>87,160</u>	<u>87,160</u>	<u>-</u>
Other Support Services - Student Related Services:					
Salaries	82,399		82,399	76,901	5,498
Purchased Professional Educational Services	212,812	738	213,550	213,535	15
Total Other Support Services - Student Related Svcs.	<u>295,211</u>	<u>738</u>	<u>295,949</u>	<u>290,436</u>	<u>5,513</u>
Other Support Services - Extra Services					
Salaries	170,037	(6,634)	163,403	163,403	-
Other Support Services - Students Special:					
Salaries of Other Professional Staff	231,995	1,862	233,857	233,857	-
Salaries Secretarial and Clerical	41,300		41,300	41,200	100
Purchased Professional Educational Services	92,400	(23,986)	68,414	51,254	17,160
Total Other Support Services - Students Special	<u>365,695</u>	<u>(22,124)</u>	<u>343,571</u>	<u>326,311</u>	<u>17,260</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	62,298		62,298	62,147	151
Salaries of Other Professional Staff	7,500		7,500	269	7,231
Total Improvement of Instructional Services	<u>69,798</u>	<u>-</u>	<u>69,798</u>	<u>62,416</u>	<u>7,382</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library:					
Salaries	175,000		175,000	173,738	1,262
Purchased Professional/Technical Services	1,000		1,000		1,000
Supplies & Materials	7,300		7,300	3,863	3,437
Total Educational Media Services/School Library	183,300	-	183,300	177,601	5,699
Instructional Staff Training Service:					
Other Objects	12,706	(3,118)	9,588	4,789	4,799
Support Services - General Administration:					
Salaries	148,438	3,855	152,293	152,115	178
Legal Services	30,000	(3,535)	26,465	21,878	4,587
Other Purchased Professional Services	19,500	(7,000)	12,500	11,500	1,000
Communications/Telephone	6,500	12,000	18,500	17,222	1,278
Other Purchased Services (400-500 Series)	45,627		45,627	44,580	1,047
Judgments	10,000		10,000		10,000
Miscellaneous Expenditures(890)	42,000	3,791	45,791	45,791	-
BOE Membership Dues And Fees	6,200		6,200	6,183	17
Total Support Services - General Administration	308,265	9,111	317,376	299,269	18,107
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	144,991	1,400	146,391	146,381	10
Salaries of Secretarial and Clerical	87,483	10,035	97,518	97,518	-
Total Support Services - School Administration	232,474	11,435	243,909	243,899	10
Central Services:					
Salaries	175,820	(8,000)	167,820	162,353	5,467
Total Central Services	175,820	(8,000)	167,820	162,353	5,467

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Administrative Information Technology:					
Purchased Technical Services	62,452	410	62,862	62,741	121
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	110,000	8,653	118,653	110,908	7,745
General Supplies	55,000	10,000	65,000	60,804	4,196
Other Objects	178,000	191,503	369,503	287,837	81,666
Total Required Maintenance for School Facilities	343,000	210,156	553,156	459,549	93,607
Other Operations and Maintenance of Plant:					
Salaries	318,441	20,150	338,591	338,591	-
Salaries of Non-Instructional Aides	45,846	(22,000)	23,846	16,452	7,394
Other Purchased Property Services	6,000		6,000	2,924	3,076
Insurance	28,138		28,138	28,138	-
Energy - Electricity	87,000		87,000	81,460	5,540
Energy - Natural Gas	50,000		50,000	42,367	7,633
Other Objects	4,100		4,100	1,087	3,013
Total Other Operations and Maintenance of Plant	539,525	(1,850)	537,675	511,019	26,656
Care and Upkeep of Grounds:					
Salaries	11,553		11,553	6,930	4,623
Cleaning, Repair & Maintenance	23,900	2,675	26,575	26,575	-
Total Care and Upkeep of Grounds	35,453	2,675	38,128	33,505	4,623
Security:					
Cleaning, Repair and Maintenance	2,000		2,000	1,622	378
Other Objects	55,000		55,000	48,475	6,525
Total Security	57,000	-	57,000	50,097	6,903
Total Operation & Maintenance of Plant Services	974,978	210,981	1,185,959	1,054,170	131,789

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Contracted Services (Between Home & School) Vendors	44,509	3,938	48,447	48,447	-
Contracted Services (Other Than Between Home & School) Vendors	27,500	(5,238)	22,262	4,500	17,762
Contracted Services (Regular Students) ESC's & CTSA's	199,391	(14,925)	184,466	115,600	68,866
Contracted Services (Sp. Ed. Students) ESC's & CTSA's	337,829	30,646	368,475	266,569	101,906
Contracted Services - Aid in Lieu of Payments	9,000	38,300	47,300	47,268	32
Total Student Transportation Services	618,229	52,721	670,950	482,384	188,566
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	110,000		110,000	100,274	9,726
Other Retirement Contributions-PERS	119,000		119,000	116,247	2,753
Unemployment Compensation	20,000		20,000	3,949	16,051
Workmen's Compensation	77,066		77,066	67,932	9,134
Health Benefits	1,101,890		1,101,890	1,003,733	98,157
Tuition Reimbursement	34,800		34,800	685	34,115
Other Employee Benefits	144,650	19,400	164,050	149,779	14,271
Total Unallocated Benefits - Employee Benefits	1,607,406	19,400	1,626,806	1,442,599	184,207
On-Behalf T.P.A.F Pension Contributions -					
Post Retirement Medical (Non-Budgeted)			-	348,626	(348,626)
On-Behalf T.P.A.F Pension Contributions -					
Normal Cost (Non-Budgeted)			-	1,091,683	(1,091,683)
On-Behalf T.P.A.F Non-Contributory Insurance			-	20,771	(20,771)
On-Behalf T.P.A.F Pension Contributions -					
Long-Term Disability			-	374	(374)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	321,930	(321,930)
			-	1,783,384	(1,783,384)
Total Undistributed Expenditures	10,826,599	200,764	11,027,363	11,756,395	(729,032)
Total General Current Expense	14,884,133	217,086	15,101,219	15,595,447	(494,228)

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Other Objects	600		600		600
Assessment for Debt Service on SDA Funding	30,491		30,491	30,491	-
Total Capital Outlay	<u>31,091</u>	<u>-</u>	<u>31,091</u>	<u>30,491</u>	<u>600</u>
Total Expenditures	14,915,224	217,086	15,132,310	15,625,938	(493,628)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(408,615)	(217,086)	(625,701)	1,011,549	1,637,250
Other Financing Sources/(Uses):					
Transfer to Food Service		(15,000)	(15,000)	(3,716)	11,284
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(3,716)</u>	<u>11,284</u>
Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(408,615)	(232,086)	(640,701)	1,007,833	1,648,534
Fund Balance July 1	3,758,144		3,758,144	3,758,144	-
Prior Period Adjustment				39,610	39,610
Fund Balances, July 1, Restated	<u>3,758,144</u>	<u>-</u>	<u>3,758,144</u>	<u>3,797,754</u>	<u>39,610</u>
Fund Balance, June 30	<u>\$ 3,349,529</u>	<u>(232,086)</u>	<u>3,117,443</u>	<u>4,805,587</u>	<u>1,688,144</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 2,603,594	
Maintenance Reserve				609,496	
Designated for Subsequent Years Expenditures-					
Capital Reserve				150,000	
Designated for Subsequent Years Expenditures-					
Excess Surplus				300,855	
Excess Surplus - Current Year				139,362	
Unemployment Compensation				48,527	
Committed Fund Balance:					
Designated for Subsequent Years Expenditures				118,980	
Unassigned Fund Balance				<u>834,773</u>	
				<u>4,805,587</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(55,513)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,750,074</u>	

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	26,989	26,989	19,628	7,361
Federal Sources:					
Title I, Part A	47,466	13,938	61,404	34,186	27,218
Title IIA, Part A	10,138	3,158	13,296	6,673	6,623
Title IV, Part A	8,000	2,000	10,000	517	9,483
IDEA Part B, Basic	101,012	71,570	172,582	172,582	-
IDEA Part B, Preschool		6,510	6,510	6,510	-
Coronavirus Relief Fund	21,922		21,922	21,884	38
Educational Stabilization Fund (CARES Act)	34,000	1,957	35,957	35,585	372
Educational Stabilization Fund (ESSER II)		70,000	70,000	70,000	-
Total Federal Sources	<u>222,538</u>	<u>169,133</u>	<u>391,671</u>	<u>347,937</u>	<u>43,734</u>
Total Revenues	<u>222,538</u>	<u>196,122</u>	<u>418,660</u>	<u>367,565</u>	<u>51,095</u>
Expenditures:					
Instruction:					
Salaries of Teachers	29,600	12,400	42,000	25,057	16,943
Purchased Professional Educational Services	5,600	2,400	8,000		8,000
Other Purchased Services	96,107	76,475	172,582	172,582	-
General Supplies	9,162	85,284	94,446	83,614	10,832
Other Objects		13,817	13,817	6,456	7,361
Total Instruction	<u>140,469</u>	<u>190,376</u>	<u>330,845</u>	<u>287,709</u>	<u>43,136</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-2
Sheet 2 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Other Salaries for Instruction			-		-
Employee Benefits	2,264	949	3,213	1,915	1,298
Purchased Technical Services	31,663	12,712	44,375	37,752	6,623
Other Purchased Services	3,200		3,200		3,200
General Supplies		11,055	11,055	11,055	-
Other Objects		16,000	16,000	15,962	38
Scholarships Awarded		7,000	7,000	7,000	-
Student Activities		6,416	6,416	6,416	-
Total Support Services	<u>37,127</u>	<u>54,132</u>	<u>91,259</u>	<u>80,100</u>	<u>11,159</u>
Total Expenditures	<u>177,596</u>	<u>244,508</u>	<u>422,104</u>	<u>367,809</u>	<u>54,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,942</u>	<u>(48,386)</u>	<u>(3,444)</u>	<u>(244)</u>	<u>(3,200)</u>
Fund Balance, July 1				\$ -	
Prior Period Adjustment				<u>38,900</u>	
Fund Balance, July 1 (Restated)				<u>38,900</u>	
Fund Balance, June 30				<u>\$ 38,656</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 10,918	
Student Activities				<u>27,738</u>	
Total Fund Balance				<u>\$ 38,656</u>	

BRIELLE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO GAAP RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 16,637,487	367,565
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	53,117	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(55,513)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 16,635,091</u>	<u>367,565</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,625,938	367,565
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,625,938</u>	<u>367,565</u>

BRIELLE SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
District's Proportion of the Net Pension Liability (Asset)								
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,703,977	2,027,443	2,232,208	2,567,754	3,400,224	2,597,364	2,263,755	2,043,985
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-	-	-	-
Total	<u>\$ 1,703,977</u>	<u>2,027,443</u>	<u>2,232,208</u>	<u>2,567,754</u>	<u>3,400,224</u>	<u>2,597,364</u>	<u>2,263,755</u>	<u>2,043,985</u>
District's Covered-Employee Payroll	\$ 701,169	748,921	785,800	794,171	737,774	776,629	788,788	776,629
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	41.15%	36.94%	35.20%	30.93%	21.70%	29.90%	34.84%	38.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

BRIELLE SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 110,071	113,559	106,521	103,149	103,149	99,676	80,583	84,214
Contributions in Relation to the Contractually Required Contribution	110,071	113,559	106,521	103,149	103,149	99,676	80,583	84,214
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 701,169	748,921	785,800	794,171	737,774	\$776,629	788,788	776,629
Contributions as a Percentage of Covered-Employee Payroll	15.70%	15.16%	13.56%	12.99%	13.98%	12.83%	10.22%	10.84%

BRIELLE SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	24,434,540	22,426,416	23,639,051	24,488,545	29,285,931	23,203,258	19,626,476	18,037,564
Total	<u>\$24,434,540</u>	<u>22,426,416</u>	<u>23,639,051</u>	<u>24,488,545</u>	<u>29,285,931</u>	<u>23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
District's Covered-Employee Payroll	\$ 4,237,399	4,120,998	4,006,146	3,904,789	3,776,182	3,696,739	3,700,152	3,758,696
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	17.34%	18.38%	16.95%	15.95%	12.89%	15.93%	18.85%	20.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

BRIELLE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
TEACHER'S PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

BRIELLE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Public Employee's Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020, in accordance with Paragraph 44 of GASB Statement No. 67.

BRIELLE SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST FIVE FISCAL YEARS

	2020	2019	2018	2017	2016
<u>State's OPEB Liability Attributable to the District</u>					
Service Cost	\$ 688,844	680,788	749,325	902,356	*
Interest	615,484	727,669	806,715	691,698	*
Benefit Payments	(479,546)	(525,745)	(491,333)	(510,023)	*
Member Contributions	14,535	15,585	16,981	18,780	*
Difference between Expected and Actual Experience	4,547,732	(2,401,431)	(2,618,109)	(2,694,764)	*
Change of Assumptions	5,031,635	255,364	(2,108,587)	(2,694,764)	*
Net Change in Total OPEB Liability	10,418,684	(1,247,770)	(3,645,008)	(1,591,953)	*
Total Attributable OPEB Liability - Beginning	17,126,918	18,374,688	22,019,696	23,611,649	*
Total Attributable OPEB Liability - Ending	\$ 27,545,602	17,126,918	18,374,688	22,019,696	23,611,649
District's Covered Payroll	\$ 4,938,568	4,869,919	4,791,946	4,698,960	4,513,956
District's Contribution	None	None	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	557.76%	351.69%	383.45%	468.61%	523.08%

* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

BRIELLE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit M-2

Change of Benefit Terms

None

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2018 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

BRIELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES AND EXPENDITURES
BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	Title IIA	Title IV	I.D.E.A. Part B Basic	I.D.E.A. Part B Pre-School	CARES Act	ESSFR	CRF	Remedial Math Donation	Local Grant	Scholarship Fund	Student Activities	Total
Revenues:													
Federal Sources	\$ 34,186	6,673	517	172,582	6,510	35,585	70,000	21,884	306	6,150	754	12,418	347,937
Local Sources		6,673	517	172,582	6,510	35,585	70,000	21,884	306	6,150	754	12,418	19,628
Total Revenues	34,186	13,346	1,034	345,164	13,020	71,170	140,000	43,768	612	12,300	1,508	24,836	367,565
Expenditures:													
Instruction:													
Salaries of Teachers	25,057			172,582									25,057
Tuition			517			5,430	70,000	453	306	6,150			172,582
General Supplies	7,214												83,614
Other Objects													6,456
Total Instruction	32,271	-	517	172,582	-	5,430	70,000	453	306	6,150	-	-	287,709
Support Services:													
Personal Services - Employee Benefits	1,915												1,915
Purchased Professional Services		6,673			6,510	16,187		8,382					37,752
General Supplies						9,968		1,087					11,055
Other Objects						4,000		11,962			7,000		15,962
Scholarships Awarded													7,000
Student Activities	1,915	6,673			6,510	30,155		21,431			7,000	6,416	70,000
Total Support Services	3,830	13,346	-	-	13,020	56,350	-	41,852	-	-	7,000	13,416	159,767
Total Expenditures	36,107	13,346	1,034	345,164	13,020	127,520	140,000	85,620	306	12,300	7,000	38,252	627,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(6,246)	6,002	(244)
Fund Balance, July 1													
Prior Period Adjustment											17,164	21,736	38,900
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	-	17,164	21,736	38,900
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,918	\$ 27,738	\$ 38,656

*Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2

**Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

BRIELLE SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit G-1

ENTERPRISE FUND

JUNE 30, 2021

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,577	30,920	35,497
Accounts Receivable:			
Miscellaneous	1,295		1,295
Total Current Assets	<u>5,872</u>	<u>30,920</u>	<u>36,792</u>
Noncurrent Assets:			
Equipment	149,082		149,082
Accumulated Depreciation	<u>(95,996)</u>		<u>(95,996)</u>
Total Noncurrent Assets	<u>53,086</u>	<u>-</u>	<u>53,086</u>
Total Assets	<u>\$ 58,958</u>	<u>30,920</u>	<u>89,878</u>
<u>Liabilities</u>			
Accounts Payable	<u>\$ 4,327</u>		<u>4,327</u>
Total Liabilities	<u>\$ 4,327</u>	<u>-</u>	<u>4,327</u>
<u>Net Position</u>			
Investment in Fixed Assets	\$ 53,086		53,086
Unrestricted	<u>1,545</u>	<u>30,920</u>	<u>32,465</u>
Total Net Position	<u>\$ 54,631</u>	<u>30,920</u>	<u>85,551</u>

BRIELLE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET POSITION

ENTERPRISE FUND

JUNE 30, 2021

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Local Sources:			
Daily Sales	\$ 4,911		4,911
Total Operating Revenue	<u>4,911</u>	<u>-</u>	<u>4,911</u>
Operating Expenses:			
Cost of Sales	22,877		22,877
Depreciation	8,420		8,420
Computer System	2,195		2,195
Total Operating Expenses	<u>33,492</u>	<u>-</u>	<u>33,492</u>
Operating (Loss)/Profit	(28,581)	-	(28,581)
Non-Operating Revenues:			
Interest Revenue		16	16
Board Subsidy	3,716		3,716
Total Non-Operating Revenues	<u>3,716</u>	<u>16</u>	<u>3,732</u>
Change in Net Position	(24,865)	16	(24,849)
Adjustment to Fixed Assets	(2,045)		(2,045)
Net Position, July 1	<u>81,541</u>	<u>30,904</u>	<u>112,445</u>
Net Position, June 30	<u>\$ 54,631</u>	<u>30,920</u>	<u>85,551</u>

BRIELLE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUND

JUNE 30, 2021

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Daily Sales	\$ 4,911		4,911
Payments to Suppliers	(5,880)		(5,880)
Net Cash Used by Operating Activities	<u>(969)</u>	<u>-</u>	<u>(969)</u>
Cash Flows from Noncapital Financing Activities:			
Board Subsidy	3,716		3,716
Net Cash Provided by Noncapital Financing Activities	<u>3,716</u>	<u>-</u>	<u>3,716</u>
Cash Flows from Investing Activities:			
Interest Revenue		16	16
Net Cash Provided by Investing Activities	<u>-</u>	<u>16</u>	<u>16</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,747	16	2,763
Cash and Cash Equivalents July 1	<u>1,830</u>		<u>1,830</u>
Cash and Cash Equivalents June 30	<u>\$ 4,577</u>	<u>16</u>	<u>4,593</u>
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ (28,581)	16	(28,565)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:			
Depreciation	8,420		8,420
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivables	9,725		9,725
Increase/(Decrease) in Accounts Payable	(3,009)		(3,009)
(Increase)/Decrease in Inventory	12,476		12,476
Net Cash Used by Operating Activities	<u>\$ (969)</u>	<u>16</u>	<u>(953)</u>

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Dates</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2020</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2021</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2021	\$ 400,000	5.00%	\$ 400,000	400,000	-
						<u>\$ 400,000</u>	<u>400,000</u>	<u>-</u>

BRIELLE SCHOOL DISTRICT

Exhibit I-3

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 420,000	-	420,000	420,000	-
Total Revenues	<u>420,000</u>	<u>-</u>	<u>420,000</u>	<u>420,000</u>	<u>-</u>
Expenditures:					
Regular Interest	20,000		20,000	20,000	-
Redemption of Principal	400,000		400,000	400,000	-
Total Expenditures	<u>420,000</u>	<u>-</u>	<u>420,000</u>	<u>420,000</u>	<u>-</u>
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Brielle Board of Education
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets, net of related debt	\$4,585,508	\$ 5,482,423	\$5,597,420	\$5,712,879	\$5,849,190	\$5,990,681	\$6,659,938	\$6,818,206	\$7,216,782	\$5,322,521
Restricted		672,903	749,188	874,237	1,738,690	1,559,485	2,475,645	2,744,679	3,060,780	4,009,479
Unrestricted		(13,661)	94,834	(2,027,138)	(2,073,548)	(1,052,401)	(2,425,802)	(2,404,041)	(2,192,055)	166,911
Total governmental activities net position	<u>\$4,585,508</u>	<u>\$ 6,141,665</u>	<u>\$6,441,442</u>	<u>\$4,559,978</u>	<u>\$5,514,332</u>	<u>\$6,497,765</u>	<u>\$6,709,781</u>	<u>\$7,158,844</u>	<u>\$8,085,507</u>	<u>\$9,498,911</u>
Business-type activities										
Invested in capital assets, net of related debt	\$144,278	\$ 23,756	\$18,359	\$15,543	\$87,785	\$96,028	\$86,371	\$71,231	\$63,551	\$53,086
Restricted		54,251	64,205	82,492	71,947	40,328	34,772	53,619	48,894	32,465
Total business-type activities net position	<u>\$144,278</u>	<u>\$ 78,007</u>	<u>\$82,564</u>	<u>\$98,035</u>	<u>\$159,732</u>	<u>\$136,356</u>	<u>\$121,143</u>	<u>\$124,850</u>	<u>\$112,445</u>	<u>\$85,551</u>
District-wide										
Invested in capital assets, net of related debt	\$4,729,786	\$ 5,506,179	\$5,615,779	\$5,728,422	\$5,936,975	\$6,086,709	\$6,746,309	\$6,889,437	\$7,280,333	\$5,375,607
Restricted		672,903	749,188	874,237	1,738,690	1,559,485	2,475,645	2,744,679	3,060,780	4,009,479
Unrestricted		40,590	159,039	(1,944,646)	(2,001,601)	(1,484,073)	(2,391,030)	(2,350,422)	(2,143,161)	199,376
Total district net position	<u>\$4,729,786</u>	<u>\$ 6,219,672</u>	<u>\$6,524,006</u>	<u>\$4,658,013</u>	<u>\$5,674,064</u>	<u>\$6,162,121</u>	<u>\$6,830,924</u>	<u>\$7,283,694</u>	<u>\$8,197,952</u>	<u>\$9,584,462</u>

Source: CAFR Schedule A-1

Brielle Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

J-2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,755,182	3,029,212	3,129,787	3,011,473	2,933,102	3,022,952	3,148,448	3,170,970	2,864,449	2,981,993
Special Education	548,252	493,778	530,298	572,946	615,861	678,166	688,335	677,706	727,402	1,049,190
Bilingual Education	8,160	8,000	8,000	7,783	-	-	-	-	-	-
Extracurriculars-Non Sports	31,860	34,586	31,819	37,865	-	-	-	-	-	-
Extracurriculars-Sports	23,025	36,562	37,728	38,784	-	-	-	-	-	-
Other instruction	-	9,665	10,517	8,489	105,513	94,706	95,371	98,033	96,089	44,799
Support Services:										
Tuition	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821	4,246,640	4,743,815	4,861,331	4,988,265	5,010,008
Health Services	62,686	78,603	78,579	85,298	-	-	-	-	-	-
Speech, OT/PT	232,756	264,274	280,702	284,810	-	-	-	-	-	-
Guidance	67,380	54,616	69,542	70,390	-	-	-	-	-	-
Child Study Team	283,053	478,710	514,982	500,764	-	-	-	-	-	-
Student & Instruction Related	37,420	68,153	62,442	67,858	1,149,278	1,173,953	1,193,423	1,254,853	1,253,649	1,295,688
Library/Media	162,317	163,099	167,145	167,539	-	-	-	-	-	-
General administrative services	201,945	213,806	216,933	251,169	199,008	201,755	214,708	457,611	208,146	243,899
School administrative services	279,477	292,831	278,733	247,720	452,555	489,106	514,061	271,366	533,045	524,363
Business administrative services	184,722	153,331	169,349	160,609	882,151	1,388,975	762,955	1,005,540	888,976	1,054,170
Building Maintenance	159,249	146,415	141,652	373,666	-	-	-	-	-	-
Custodial Services	488,794	439,964	455,621	420,881	-	-	-	-	-	-
Grounds Upkeep	43,648	58,007	43,264	40,465	-	-	-	-	-	-
Benefits	1,300,125	2,149,524	1,986,782	1,785,093	2,244,992	2,414,421	2,606,229	2,774,026	2,863,723	3,103,065
Pupil transportation	485,646	447,733	540,032	521,147	605,127	492,869	533,667	676,889	617,369	482,384
Interest on long-term debt	191,000	167,400	149,267	130,733	111,867	92,733	73,200	53,333	33,333	20,000
Unallocated depreciation	-	279,388	303,152	299,134	296,834	287,657	285,912	301,425	309,240	271,637
Total governmental activities expenses	11,963,962	13,348,440	13,420,142	13,740,013	13,792,109	14,583,943	14,860,124	15,598,083	15,383,686	16,081,196
Business-type activities:										
Food service	137,343	186,187	180,218	173,730	175,835	209,507	161,287	157,257	129,451	33,492
Child Care	-	50,026	44,056	43,809	42,099	36,802	56,027	47,983	38,122	-
Total business-type activities expense	137,343	236,213	224,274	217,539	217,934	246,309	217,314	205,240	167,573	33,492
Total district expenses	12,101,305	13,584,653	13,644,416	13,957,552	14,010,043	14,830,252	15,077,438	15,803,323	15,551,259	16,114,688
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	13,800	12,000	27,100	30,100	21,001	23,760	31,080	55,273	41,699	9,750
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	197,473	173,046	181,870	186,248	196,806	191,438	151,850	367,809
Operating grants and contributions	342,182	192,320	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	355,982	204,320	224,573	203,146	202,871	210,008	227,886	246,711	193,349	377,559

Brielle Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

J-2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Food service	153,467	186,187	133,436	128,493	103,871	95,764	83,511	93,645	95,123	4,911
Child care	-	50,026	39,125	42,262	47,796	49,241	59,415	56,995	38,151	
Operating grants and contributions	-	-	31,222	32,764	32,793	28,115	26,231	-	-	
Capital grants and contributions	-	-	-	-	-	-	-	-	-	
Total business type activities program revenues	153,467	236,213	203,783	203,519	184,460	173,120	169,157	150,640	133,274	4,911
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	114,970	13,144,120	13,216,060	13,536,867	13,589,238	14,373,935	14,632,438	15,351,372	15,190,337	15,703,637
Business-type activities	153,467	32,069	25,048	14,020	33,474	73,189	48,027	28,630	34,299	28,581
Total district-wide net expense	268,437	13,176,189	13,241,108	13,550,887	13,622,712	14,447,124	14,680,465	15,380,002	15,224,636	15,732,218
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	11,586,001							13,274,304	13,539,790	13,910,006
Taxes levied for debt service	591,000							460,000	440,000	420,000
Unrestricted grants and contributions	467,490							2,080,329	2,143,550	2,661,389
Payments in lieu of taxes	-							-	-	-
Investment earnings	3,908							-	-	-
Miscellaneous income	23,533							18,070	8,668	53,742
Transfers	-							(32,268)	(15,008)	(3,716)
Total governmental activities	12,671,932	13,665,765	13,830,053	14,076,318	14,543,592	14,885,368	15,316,454	15,800,435	16,117,000	17,041,421
Business-type activities:										
Investment earnings/Miscellaneous	-	18	4	1				69	6,886	16
Transfers	-	24,045	25,044	29,490				32,268	15,008	3,716
Total business-type activities	-	24,063	25,048	29,491	21,273	32,295	32,814	32,337	21,894	3,732
Total district-wide	12,940,369	13,689,828	13,855,101	14,105,809	14,564,865	14,917,663	15,349,268	15,832,772	16,138,894	17,045,153
Change in Net Position										
Governmental activities	116,970	521,845	634,484	(1,724,304)	954,354	511,433	684,016	449,063	926,663	1,337,784
Business-type activities	16,123	(8,006)	4,557	15,471	(12,201)	(40,894)	(15,213)	3,707	(12,405)	(24,849)
Total district	133,093	513,839	639,041	(1,708,833)	942,153	470,539	668,803	452,770	914,258	1,312,935

Source: CAFR Schedule A-2

**Brille Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 12,147,081	12,360,603	12,578,347	12,800,400	13,026,874	13,258,047	13,493,824	13,734,304	13,979,790	14,330,006
Tuition Charges	13,800	12,000	27,100	30,100	21,001	23,760	31,080	55,273	41,699	9,750
Interest Earnings	1,091	41,318								
Miscellaneous	28,015	1,293,330	21,983	33,590	15,570	5,887	8,193	18,070	8,668	73,574
State Sources	462,626	186,859	1,272,850	1,393,092	1,536,937	1,655,804	1,850,520	2,080,329	2,143,550	2,661,389
Federal Sources	-		179,877	150,925	167,354	184,173	193,307	191,438	151,650	347,937
Total revenue	12,652,613	13,894,130	14,080,157	14,408,107	14,767,736	15,127,671	15,576,924	16,079,414	16,325,357	17,422,656
Expenditures										
Instruction										
Regular Instruction	2,755,182	3,004,413	3,093,470	2,957,977	3,034,673	3,022,952	3,093,515	3,163,671	3,136,196	3,032,772
Special Education Instruction	548,252	493,778	530,298	572,946	615,861	678,166	688,335	677,706	727,402	1,049,190
Other Special Instruction	8,160	8,000	8,000	7,783	105,513	94,706	95,371	-	96,089	44,799
Extracurricular-Non Sports	31,860	34,586	31,819	37,865	-			51,771		
Extracurricular-Sports	23,025	36,562	37,728	38,784	-			30,569		
Vocational Education	-									
Other Instruction	-	9,665	10,517	8,489	-			10,693		
Support Services:										
Tuition	4,417,265	4,280,763	4,213,916	4,655,397	4,195,821	4,246,640	4,743,815	4,861,331	4,988,265	5,010,008
Student & Instruction Related Services	865,612	1,123,502	1,193,007	1,176,659	1,149,278	1,173,953	1,193,423	1,254,853	1,253,649	1,295,688
General Administrative Services	201,945	197,799	197,218	251,169	199,008	201,755	214,708	457,811	533,045	524,363
School Administrative Services	484,199	446,162	448,082	408,329	452,555	489,106	514,061	271,366	208,146	243,899
Plant Operations and Maintenance	671,691	644,386	640,537	835,012	882,151	1,388,975	1,227,049	1,034,742	888,976	1,054,170
Pupil Transportation	485,646	447,733	540,032	521,147	605,127	492,869	533,667	676,889	617,369	482,384
Unallocated Employee Benefits	1,300,125	2,149,524	1,986,782	2,046,446	2,113,210	2,255,781	2,523,768	2,755,002	2,864,298	3,225,983
Special Schools	-									
Charter Schools	-									
Capital outlay	6,652	399,571	346,623	65,486	30,491	30,491	30,491	30,491	30,491	30,491
Debt service:										
Principal	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest and Other Charges	191,000	173,400	155,400	137,000	118,200	99,200	79,800	60,000	40,000	20,000
Total expenditures	12,370,614	13,849,824	13,833,429	14,120,489	13,901,888	14,574,594	15,308,003	15,736,695	15,783,926	16,413,747
Excess (Deficiency) of revenues over (under) expenditures	281,999	44,306	246,728	287,618	865,848	553,077	268,921	342,719	541,431	1,008,909
Other Financing sources (uses)										
Adjustments	-		(487)	(99,153)	(21,273)	(32,295)	(32,784)	-	-	-
Transfers in	-	(24,045)	(25,044)	(29,490)						
Transfers out	-									
Total other financing sources (uses)	-	(24,045)	(25,531)	(128,643)	(21,273)	(32,295)	(32,784)	(32,268)	(15,008)	(3,716)
Net Change in Fund Balances	\$ 281,999	20,281	221,197	158,975	844,575	520,782	236,137	310,451	526,423	1,005,193
Debt service as a percentage of Noncapital Expenditures	4.8%	4.3%	4.12%	3.82%	3.82%	3.42%	3.13%	2.9%	2.8%	2.6%
June 30 Fund Balance	254,864	891,316	1,110,654	1,269,629	2,114,204	2,634,986	2,871,123	3,181,574	3,707,997	4,750,074

Source: CAFR Schedule B-2

Brielle Board of Education
Non Tax Levy Income
Last Ten Fiscal Years

Fiscal Year Ended June 30	Interest on Investments	Tuition Revenue	Miscellaneous	Total
2012	2,324.00	36,825.00	-	39,149.00
2013	1,091.00	13,800.00	28,015.00	42,906.00
2014	1,752.76	24,000.00	5,597.28	31,350.04
2015	977.38	27,100.00	3,409.70	31,487.08
2016	759.60	38,850.00	709.30	40,318.90
2017	1,161.49	23,760.00	2,650.96	27,572.45
2018	3,907.74	31,080.00	986.26	35,974.00
2019	10,475.00	55,273.00	7,595.00	73,343.00
2020	8,576.00	41,699.00	92.00	50,367.00
2021	2,678.00	9,750.00	51,268.00	63,696.00

Source: District Records

**Brielle Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Residential		Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2011	1,672,150,800	-	1,672,150,800	-	-	1,672,150,800	-	0.726
2012	1,637,013,700	-	1,637,013,700	-	-	1,637,013,700	-	0.755
2013	1,568,084,100	-	1,568,084,100	-	-	1,568,084,100	-	0.802
2014	1,504,388,800	-	1,504,388,800	-	-	1,504,388,800	-	0.851
2015	1,410,052,700	-	1,410,052,700	-	-	1,410,052,700	-	0.924
2016	1,382,155,378	-	1,382,155,378	-	-	1,382,155,378	-	0.918
2017	1,470,782,200	-	1,470,782,200	-	-	1,470,782,200	-	0.918
2018	1,530,792,800	-	1,530,792,800	-	-	1,530,792,800	-	0.897
2019	1,426,444,400	-	1,575,977,400	-	-	1,575,977,400	-	0.876
2020	1,526,783,200	-	1,682,959,500	-	-	1,682,959,500	-	0.827

**Brielle Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Property Value</u>	<u>Tax</u>	<u>Rate</u>	<u>Tax Rate Per \$100 Assessed Valuation</u>
2011	1,672,150,800	11,938,091	0.007139	0.714
2012	1,637,013,700	12,360,603	0.007551	0.755
2013	1,568,084,100	12,578,347	0.008021	0.802
2014	1,504,388,800	12,800,400	0.008509	0.851
2015	1,410,052,700	13,028,887	0.00924	0.924
2016	1,382,155,378	12,688,186	0.00918	0.918
2017	1,470,782,200	13,501,872	0.00918	0.918
2018	1,530,792,800	13,731,211	0.00897	0.897
2019	1,575,977,400	13,539,790	0.00876	0.876
2020	1,682,959,500	13,910,006	0.00827	0.827

**Brielle Board of Education
Ten Principal Property Taxpayers**

Tax Payer	2020			% of Total District Net Assessed Value
	Taxable Assessed Value	Rank [Optional]		
Manasquan River Golf Club	\$ 21,745,900	1		1.29%
Brandywine East II, LLC	9,180,500	2		0.55%
Brandywine At Brielle, LLC	8,524,600	3		0.51%
Brielle Sui Generis, LLC	8,500,000	4		0.51%
Private Resident #1	8,081,800	5		0.48%
608 Green Ave Associates, LLC	7,649,400	6		0.45%
Fletcher Marine, LLC	5,347,600	7		0.32%
836 Riverview Drive, LLC	5,315,300	8		0.32%
Private Resident #2	4,879,800	9		0.29%
Manasquan River Yatch Club	4,395,700	10		0.26%

Total \$ 83,620,600

Total Assessed Value - all properties \$ 1,682,959,500

**Brielle Board of Education
School Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	11,787,203	11,787,203	100.00%	-
2014	12,022,947	12,022,947	100.00%	-
2015	12,263,405	12,263,405	100.00%	-
2016	12,508,674	12,508,674	100.00%	-
2017	12,758,847	12,758,847	100.00%	-
2018	13,014,024	13,014,024	100.00%	-
2019	13,274,304	13,274,304	100.00%	-
2020	13,539,790	13,539,790	100.00%	-
2021	13,910,006	13,910,006	100.00%	-
2022	14,188,206	14,188,206	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**Brielle Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Total District
2011	4,000,000	-	-	-	4,000,000
2012	3,600,000	-	-	-	3,600,000
2013	3,200,000	-	-	-	3,200,000
2014	2,800,000	-	-	-	2,800,000
2015	2,400,000	-	-	-	2,400,000
2016	2,000,000	-	-	-	2,000,000
2017	1,600,000	-	-	-	1,600,000
2018	1,200,000	-	-	-	1,200,000
2019	860,000	-	-	-	860,000
2020	440,000	-	-	-	440,000
2021	-	-	-	-	-

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the districts outstanding debt can be found in the notes to the financial statements.

**Brielle Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Taxable Valuation	Percentage of Actual Taxable Value ^a of Property	Debt Limit
2012	3,600,000	-	1,637,013,700	0.22%	49,914,417
2013	3,200,000	-	1,568,084,100	0.20%	49,914,417
2014	2,800,000	-	1,504,388,800	0.18%	49,914,417
2015	2,400,000	-	1,410,052,700	0.17%	49,914,417
2016	2,000,000	-	1,382,155,378	0.14%	49,914,417
2017	1,600,000	-	1,470,782,200	0.11%	49,914,417
2018	1,200,000	-	1,530,792,800	0.08%	49,914,417
2019	860,000	-	1,567,887,500	0.05%	49,914,417
2020	440,000	-	1,575,977,400	0.03%	49,914,417
2021	-	-	1,682,959,500	0.00%	49,914,417

**Brielle Board of Education
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021**

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
<u>Governmental Unit</u>			
Debt repaid with property taxes Brielle Boro	-	100.00%	\$ -
Other debt			
Subtotal, overlapping debt	-		-
Brielle School District Direct Debt	-		
Total direct and overlapping debt			

Sources: Assessed value data used to estimate applicable percentages provided by the ABC County Board of Taxation.
Debt outstanding data provided by each governmental unit.

**Brielle School District
Legal Debt Margin Information,
Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417
Total net debt applicable to limit	<u>3,600,000</u>	<u>3,200,000</u>	<u>2,800,000</u>	<u>2,400,000</u>	<u>2,000,000</u>	<u>1,600,000</u>	<u>1,200,000</u>	<u>860,000</u>	<u>440,000</u>	<u>-</u>
Legal debt margin	<u>\$ 46,314,417</u>	<u>\$ 46,714,417</u>	<u>\$ 47,114,417</u>	<u>\$ 47,514,417</u>	<u>\$ 47,914,417</u>	<u>\$ 48,314,417</u>	<u>\$ 48,714,417</u>	<u>\$ 49,054,417</u>	<u>\$ 49,474,417</u>	<u>\$ 49,914,417</u>
Total net debt applicable to the limit as a percentage of debt limit	7.21%	6.41%	5.61%	4.81%	4.01%	3.21%	2.40%	1.72%	0.88%	0.00%

Source: Abstract of Ratables and District Records, CAFR Schedule J-7

**Brielle School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Student Enrollment	Ratio of Students to Population
2011	4,774	665	0.14
2012	4,774	606	0.13
2013	4,783	611	0.13
2014	4,774	674	0.14
2015	4,757	558	0.12
2016	4,757	551	0.12
2017	4,757	550	0.12
2018	4,691	532	0.11
2019	4,691	518	0.11
2020	4,626	509	0.11

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

**Anytown School District
Principal Employers,
Current Year and Ten Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Manasquan River Golf Club Brielle Board of Education Borough of Brielle	125	1		125	1	
	102	2		81	2	
	84	3		37	4	
		2020		2010		

<u>Employer</u>	<u>2021</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Manasquan River Golf Club Brielle Board of Education Borough of Brielle	125	1		125	1	
	102	2		81	2	
	84	3		37	4	

<u>Employer</u>	<u>2021</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Manasquan River Golf Club Brielle Board of Education Borough of Brielle	125	1		125	1	
	102	2		81	2	
	84	3		37	4	

**Brielle Board of Education
Full-time Equivalent District Employees by Function/Program,
June 30, 2012 through June 30, 2021**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function/Program										
120-100 Regular Education Teachers	37.00	44.00	49.00	48.00	42.00	41.50	41.00	44.00	41.80	38.50
100-101 Teachers Special Education	6.00	6.00	-	-	6.00	7.00	7.50	7.00	8.65	13.25
100-106 Classroom Aides	8.00	8.50	9.00	12.00	9.00	10.00	10.00	10.00	8.65	9.00
213-100 Health Services	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
216-100 Speech	-	-	-	-	-	-	1.00	-	-	-
218-104 Guidance	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
219-104 Child Study Team	3.00	4.00	4.00	2.60	2.80	2.80	2.80	3.00	3.00	3.00
221-102 Supervisors	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	1.00
222-100 Media Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
230-100 General Administration	3.50	3.50	3.00	3.00	3.00	3.00	1.50	1.50	1.50	1.50
240-100 Administration	1.00	1.00	1.50	1.50	1.50	1.50	3.50	3.00	3.00	3.00
250-100 Business Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00
26X-100 Buildings and Grounds	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.50	7.00
Total	71.00	80.00	79.50	80.10	77.30	78.80	80.30	82.00	78.60	83.25

Source: District Personnel Records

Brielle Board of Education
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Student Attendance Percentage
2012	605	11,963,962	11,355	15.29%	48	12.60	604	579	95.86%
2013	611	11,913,759	12,363	8.88%	49	12.47	608	577	94.90%
2014	575	12,829,080	22,311	80.47%	49	11.73	574	551	95.99%
2015	558	13,410,443	24,033	7.72%	48	11.63	559	537	96.01%
2016	551	13,201,818	23,960	-0.30%	48	11.48	552	532	96.38%
2017	541	13,416,811	24,800	3.51%	49	11.04	545	527	96.70%
2018	541	14,345,749	15,479	-37.58%	49	11.15	526	510	96.96%
2019	532	14,373,711	15,772	1.89%	51	10.43	533	504	94.56%
2020	514	14,884,233	17,057	8.15%	57	9.02	515	501	97.23%
2021	509	15,224,566	18,192	6.65%	61	8.34	501	480	95.91%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Brielle Board of Education
School Building Information
Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
<u>Elementary</u>										
Brielle Elementary	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Square Feet	762	762	762	762	762	762	762	762	762	762
Capacity (students)	605	611	574	558	551	541	541	532	514	509
Enrollment										

Source: District Records, ASSA

**Brielle Board of Education
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years**

School Facility	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Brielle Elementary School	\$ 343,000	\$ 514,449	\$ 409,303	\$ 518,314	\$ 521,325	\$ 725,853	\$ 373,666	\$ 141,652	\$ 629,200	\$ 671,691

**Brielle Board of Education
Insurance Schedule
for the Fiscal Year ended June 30, 2021**

Company	Type of Coverage	Amount
NJSIG	Property Blanket Building & Contents- Replacement Cost Values Terrorism (Property)	\$ 27,104,712.00 \$ 1,000,000.00
NJSIG	Flood (exc. Special Flood Hazard Area Flood Zones) Earthquake	\$ 75,000,000.00 \$ 50,000,000.00
NJSIG/Ironshore	Environmental Impairment Liability	\$ 1,000,000.00
NJSIG	Crime Insurance Employee Dishonesty with Faithful Performance Forgery or Alteration	\$ 100,000.00 \$ 100,000.00
	Money & Securities Loss- Theft, Disappearance & Destruction Computer Fraud Money Orders & Counterfeit Paper Currency	\$ 50,000.00 \$ 100,000.00 \$ 50,000.00
Selective Ins Co. of America Selective Ins Co. of America	Treasurer Bond Business Administrator/Board Secretary Bond	\$ 360,000.00 \$ 360,000.00

NJSIG	General Liability	\$ 31,000,000.00
	Each Occurrence	\$ 31,000,000.00
	Prod/Completed Oper	\$ 31,000,000.00
	Personal Injury	\$ 31,000,000.00
	Fire Damage	\$ 31,000,000.00
	Employee Benefit Liability	\$ 17,000,000.00
	Sexual Abuse	\$ 1,000,000.00
	Terrorism (General Liability)	\$ 31,000,000.00
NJSIG/QBE	School Leaders E & O -Coverage A	\$ 5,000,000.00
Zurich American Ins. Co.	Student Accident- Accident Medical	\$ 3,000,000.00
NJSIG	Workers Compensation	\$ 5,102,373.00
	Professional Covered Payrolls	\$ 345,170.00
	Non-Professional Payrolls	\$ 3,000,000.00
	Employers Liability (Bodily Injury By: Accident / Disease	\$ 31,000,000.00
	Each Employee / Disease Aggregate)	\$ 1,000,000.00
NJSIG	Automobile - Hired/ Non-owned Liability	\$ 100,000,000.00
	Terrorism (Auto Liability)	\$ 355,000.00
NJSIG	Equipment Breakdown	\$ 2,000,000.00
NJSIG	Electronic Data Processing	
NJSIG/Beazley	Cyber Liability	

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

K-1

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Brielle Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Brielle Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated February 11, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brielle Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Brielle Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Brielle Board of Education, County of Monmouth, State of New Jersey's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brielle Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

February 11, 2022

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND SCHEDULES OF EXPENDITURE OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2021. The Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

February 11, 2022

BRIELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Department of Education Project/Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project	Award Amount	Grant Period		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2021		Due to Grantor
					From	To					(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
Title I	84.010A	S010A190030	N/A	\$ 59,333	7/1/2019	6/30/2020		37,428					
Title I	84.010A	S010A2080030	N/A	61,404	7/1/2020	6/30/2021			(34,186)			(34,186)	
Title II A	84.367A	S367A190029	N/A	12,673	7/1/2019	6/30/2020		4,464				(1,539)	
Title II A	84.367A	S367A200029	N/A	13,296	7/1/2020	6/30/2021			(6,673)			(6,673)	
Title IV	84.424	S424A190031	N/A	10,000	7/1/2019	6/30/2020		1,164					
Title IV	84.424	S424A200031	N/A	10,000	7/1/2020	6/30/2021			(517)			(517)	
LD.E.A.:													
Part B - Basic	84.027	H027A190100	N/A	119,737	7/1/2019	6/30/2020	(1)	1					
Part B - Basic	84.027	H027A200100	N/A	172,582	7/1/2020	6/30/2021		162,806	(172,582)			(9,776)	
Preschool	84.173	H173A190114	N/A	6,526	7/1/2019	6/30/2020	(2,420)	2,420					
Preschool	84.173	H173A200114	N/A	6,510	7/1/2020	6/30/2021		6,510	(6,510)				
Cares Act	84.425D	S425D200027	N/A	39,370	3/13/2020	9/30/2022		39,370	(35,585)			372	
Total Special Revenue Fund								254,163	(256,053)			(52,691)	372
Total Federal Financial Awards								254,163	(256,053)			(52,691)	372

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

K-5

BRIELLE SCHOOL DISTRICT

NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE

JUNE 30, 2021

NOTE 1: General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Brielle School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>State Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 2,663,785		2,663,785
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized			
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)			
	<u>(2,396)</u>	<u> </u>	<u>(2,396)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,661,389</u>	<u> </u>	<u>2,661,389</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>Federal Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	347,937	347,937
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>347,937</u>	<u>347,937</u>

NOTE 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2021.

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Part 1 - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

N/A

Internal control over financial reporting:

1) Material weakness(es) identified?

 Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

 Yes x None Reported

Noncompliance material to general purpose financial statements noted?

 Yes x No

State Awards

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 x Yes No

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

 Yes x No

(2) Reportable condition(s) identified that are not considered to material weaknesses?

 Yes x None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 98-07?

 Yes x No

Identification of major programs:

GMIS Number(s)

21-495-034-5120-089

21-495-034-5120-085

21-495-034-5120-084

Name of State Program

Special Education Aid (State Aid-Public Cluster)

Adjustment Aid (State Aid-Public Cluster)

Security Aid-(State Aid-Public Cluster)

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Part 2 - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Part 3 - State Awards Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Federal Awards

Not Applicable

State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)

State Awards (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

BRIELLE SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prior Audit Findings:

None

BOROUGH OF BRIELLE SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT

COUNTY OF MONMOUTH

JUNE 30, 2021

**ROBERT A. HULSART & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
2807 HURLEY POND ROAD, SUITE 100
WALL, NEW JERSEY 07719**

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the comptroller General of the United States, the general purpose financial statements of the Board of Education of the Brielle School District in the County of Monmouth for the year ended June 30, 2021 and have issued our report thereon dated February 11, 2022.

As part of our audit, we performed procedures required by the New Jersey Department of Education and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Brielle Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Licensed Public School Accountant
No. 322
ROBERT A. HULSART AND COMPANY

February 11, 2022

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20; Insurance Schedule contained in the district's ACFR.

Officials Bond

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dawn Cherry	Board Secretary/School Business Administrator	\$ 360,000.00
Loretta Hill	Treasurer	360,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond under the blanket policy covering all other employees with multiple coverage of \$100,000.00.

Tuition Charges

A comparison of tentative charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C. 6A:23-3.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certifications, or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable. All exceptions were adjusted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(g)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-2.4*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no reportable conditions.

Treasurer's Records

The Treasurer's records were in good order, all reconciliation's were prepared on a monthly basis.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title IIA and Title IV of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$19,600 for 2020-21.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

Resolutions were adopted authorizing the awarding of contracts or agreement for "Professional Services" per *N.J.S.A. 18A:18A-5*.

School Food Service Fund

The School Food Service Program has not been audited as a major program and has not expended \$100,000 or more in Federal and State Support.

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The School District opted out of the National Lunch Program in 2020-2021.

Cash receipts and bank records were reviewed for timely deposits per state guidelines.

The cash disbursement records reflected expenditures for program related goods and services. The District deposited and expended program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

Expenditures were separately recorded as food, labor and other costs. "Cafeterias" inventory records on food supply items were maintained and applied in determining the cost of food and supplies used. Inventories of commodities were reviewed for reasonableness as submitted, without verification. No inventories were on hand for district owned items.

School Food Service Fund (Continued)

The 2020-21 operations produced a net loss of \$24,849.

All vendor discounts, rebates and credit from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

In 2020-21, Brielle again was not part of the Child Nutrition Program and therefore did not receive any federal or state reimbursements.

In 2020-21, Brielle Board of Education contracted with Cafeterias to provide student meals. Cafeterias is normally paid a management fee at the end of the year provided that certain goals are completed; however, in the summer of 2021, Cafeterias did not provide any paperwork and did not set up operations for September 2021 opening of school, leaving the District in a bind. At the present time it is undetermined if Cafeterias will be paid any management fees.

It was also determined that no ending inventory was available at year end due to spoilage and unusable food supplies.

Finding 2021-1: The District has a listing of Student Account Meal Balances. This file has many positive and negative balances. It was determined that some students have graduated from the elementary school.

Recommendation 2021-1: That the District reviews the student account balances to determine its accuracy and close out old student accounts by refunding or attempting to collect outstanding balances.

Scholarship Fund

These funds were maintained in savings accounts, which were administered by the Business Administrator's office.

Student Body Activities

During our review of the student activity funds, no exceptions were noted.

Application for State School Aid

Our audit procedures included a test of information reported in October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The districts written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020-21 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Travel & Attorney's Log

Travel Log

The log was examined and found to be properly kept, and all required supporting documentation was present.

Attorney's Log

The log was examined and found to be properly maintained.

Prior Year Recommendations

There were no prior year recommendations.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures Per the ACFR	\$ 15,625,938
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,783,384)</u>
Adjusted 2020-21 General Fund Expenditures	<u>\$ 13,842,554</u>
4% of Adjusted 2020-21 General Fund Expenditures	<u>\$ 553,702</u>
Enter Above or \$250,000 Whichever is Greater	\$ 553,702
Increased by Allowable Adjustment	<u>281,071</u>
Maximum Unassigned Fund Balance	<u>\$ 834,773</u>

Section 2

Total General Fund -- Fund Balance @ 6-30-21	\$ 4,805,587
Decreased by:	
Reserved for Unemployment	(48,527)
Designated for Subsequent Years Expenditures -- General Fund	(118,980)
Designated for Subsequent Years Expenditures -- Excess Surplus	(300,855)
Maintenance Reserve	(609,496)
Designated for Subsequent Years Expenditures -- Capital Reserve	(150,000)
Capital Reserve	<u>(2,603,594)</u>
Total Unassigned Fund Balance	<u>\$ 974,135</u>

Section 3

Reserved Fund Balance -- Excess Surplus Designated for	
Subsequent Years Expenditures	\$ 300,855
Excess Surplus	<u>139,362</u>
	<u>\$ 440,217</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 265,880
Non-Public Transportation	<u>15,191</u>
	<u>\$ 281,071</u>

Detail of Other Reserved Fund Balance

Maintenance Reserve	\$ 609,496
Capital Reserve	<u>2,603,594</u>
	<u>\$ 3,213,090</u>

BRIELLE SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2020

	2021-22 Application for State School Aid						Sample for Verification				Errors Per Registers on Roll			Private Schools for Handicapped				
	Reported On		Reported on		Errors		Sample Selected		Verified Per		Full		Shared	Full	Shared	A.S.S.A. as	Sample	Sample
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools	Verification	Verified	Errors
Half Day Preschool - 3yrs	7		7				7					7						
Half Day Preschool - 4yrs	7		7				7					7						
Full Day Kindergarten	36		36				36					36						
One	49		49				49					49						
Two	43		43				43					43						
Three	41		41				41					41						
Four	45		45				45					45						
Five	44		44				44					44						
Six	60		60				60					60						
Seven	62		62				62					62						
Eight	50		50				50					50						
Nine																		
Ten																		
Eleven																		
Twelve																		
Subtotal	444	0	444	0	0	0	444	0	444	0	0	444	0	0	0	0	0	0
Special Ed - Elementary	45		45				45		45			45			3	3	3	0
Special Ed - Middle School	20		20				20		20			20			2	2	2	0
Special Ed - High School	65	0	65	0	0	0	65	0	65	0	0	65	0	0	4	4	4	0
Subtotal																		
Co. Voc. - Regular																		
Co. Voc. - Ft. Post Sec.																		
Totals	509	0	509	0	0	0	509	0	509	0	0	509	0	0	9	9	9	0
Percentage Error					0%	0%								0%				8%

BRIELLE SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2020

LOW INCOME STUDENTS

	Low Income		Sample for Verification	
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register
Full Day Kindergarten	1	1	1	1
Grade 1	2	2	2	2
Grade 2	2	2	2	2
Grade 3	2	2	2	2
Grade 4	2	2	2	2
Grade 5	2	2	2	2
Grade 6	2	2	2	2
Grade 7	4	4	4	4
Grade 8	3	3	3	3
Special Ed - Elementary	3	3	3	3
Special Ed - Middle	1	1	1	1
Totals	22	22	22	22
Percentage Error				0%

LEP STUDENTS - NOT LOW INCOME

	Reported on ASSE as LEP - Not Low Income		Sample for Verification	
	Reported on ASSE as LEP - Not Low Income	Reported on Workpapers as LEP - Not Low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Special Ed - Elementary	1	1	1	1
Totals	1	1	1	1
Percentage Error				0%

BRIELLE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2020

LEP STUDENTS - LOW INCOME

	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Grade 1	1	1	1	1	
Grade 2	1	1	1	1	
Grade 5	1	1	1	1	
Special Ed - Elementary	3	3	3	3	
Totals	6	6	6	6	0
Percentage Error					0%

TRANSPORTATION

	Reported on DRTRS by DOE	Reported on DRTRS by District	Tested	Verified	Errors	Recalculated
Reg. - Public Schools	63	63	63	63		8.1
Transported - Non-Public	17	17	17	17		8.1
Special Education - Public School	7	7	7	7		29.5
Special Needs - Public & Private	9	9	9	9		
Totals	96	96	96	96	0	0%
Percentage Error						0%

Avg. Mileage - Regular Including Grade PK Students
 Avg. Mileage - Special Ed. With Special Needs

BRIELLE SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

Finding 2021-1: The District has a listing of Student Account Meal Balances. This file has many positive and negative balances. It was determined that some students have graduated from the elementary school.

Recommendation 2021-1: That the District reviews the student account balances to determine its accuracy and close out old student accounts by refunding or attempting to collect outstanding balances.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year recommendations.